

Adopted	Rejected
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## COMMITTEE REPORT

YES:	12
NO:	0

### MR. SPEAKER:

*Your Committee on Public Health, to which was referred Senate Bill 107, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 health and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-12-8-2, AS AMENDED BY P.L.291-2001,
- 7 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2002]: Sec. 2. (a) The Indiana prescription drug account is
- 9 established within the Indiana tobacco master settlement agreement
- 10 fund for the purpose of providing access to needed prescription drugs
- 11 to ensure the health and welfare of Indiana's low-income senior
- 12 citizens. The account consists of:
- 13 (1) amounts to be distributed to the account from the Indiana
- 14 tobacco master settlement agreement fund;
- 15 (2) appropriations to the account from other sources; ~~and~~

1           **(3) rebates for the Indiana prescription drug program**  
 2           **established under IC 12-10-16; and**

3           **(4) grants, gifts, and donations intended for deposit in the**  
 4           **account.**

5           (b) The account shall be administered by the budget agency.  
 6           Expenses for administration and benefits under the Indiana prescription  
 7           drug program established under IC 12-10-16 shall be paid from the  
 8           account. Money in the account at the end of the state fiscal year does  
 9           not revert to the state general fund **or the Indiana tobacco master**  
 10          **settlement agreement fund but is annually appropriated and**  
 11          remains available for expenditure **for the Indiana prescription drug**  
 12          **program.**

13          **(c) Money in the account may be used to match federal funds for**  
 14          **the Indiana prescription drug program established under**  
 15          **IC 12-10-16.**

16          SECTION 2. IC 12-10-16-3, AS ADDED BY P.L.21-2000,  
 17          SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 18          JULY 1, 2002]: Sec. 3. (a) The office of the secretary shall administer  
 19          a program implementing the recommendations of the prescription drug  
 20          advisory committee to provide access to needed pharmaceuticals to  
 21          ensure the health and welfare of Indiana's low-income senior citizens.

22          **(b) An Indiana resident is eligible to participate in the program**  
 23          **under the Medicaid waiver if the resident meets the following**  
 24          **criteria:**

25               **(1) The resident is at least sixty-five (65) years of age.**

26               **(2) The resident has a family income of not more than two**  
 27               **hundred percent (200%) of the federal poverty level, without**  
 28               **regard to the resident's countable assets.**

29               **(3) The resident has completed the application prescribed by**  
 30               **the office.**

31               **(4) The resident meets the conditions required by the**  
 32               **Medicaid waiver.**

33          **(c) An Indiana resident is eligible to participate in the program**  
 34          **if the resident meets the following criteria:**

35               **(1) The resident is at least sixty-five (65) years of age.**

36               **(2) The resident has a family income of not more than two**  
 37               **hundred percent (200%) of the federal poverty level.**

38               **(3) The resident has completed the application prescribed by**

1           **the office.**

2           SECTION 3. IC 12-10-16-7 IS ADDED TO THE INDIANA CODE  
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
4 1, 2002]: **Sec. 7. The office shall establish, for each individual in the**  
5 **program, an annual prescription drug benefit that is at least one**  
6 **thousand dollars (\$1,000) and not more than two thousand dollars**  
7 **(\$2,000).".**

8           Page 2, between lines 7 and 8, begin a new line block indented and  
9 insert:

10           **"(9) A township trustee."**

11           Page 2, line 8, strike "(9) Three (3)" and insert **"(10) Two (2)".**

12           Page 3, between lines 11 and 12, begin a new paragraph and insert:  
13           **"SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As used in this**  
14 **SECTION, "office" refers to the office of Medicaid policy and**  
15 **planning.**

16           **(b) Before the office may submit an application for a federal**  
17 **Medicaid waiver that will have an effect on the Indiana**  
18 **prescription drug program established by IC 12-10-16-3, as**  
19 **amended by this act, the office must submit the proposed Medicaid**  
20 **waiver to the prescription drug advisory committee. The Indiana**  
21 **prescription drug advisory committee shall review and allow**  
22 **public comment on the proposed Medicaid waiver.**

23           **(c) Any prescription drug program implemented or established**  
24 **by the office or a contractor of the office under this SECTION**  
25 **must provide unrestricted access to prescription drugs for the**  
26 **recipients in the Indiana prescription drug program.**

27           **(d) The office or a contractor of the office may not use programs**  
28 **to limit or restrict access to the prescription drugs in the Indiana**  
29 **prescription drug program, including the use of prior**  
30 **authorization, prescription quantity limits, or a preferred drug list.**

31           **(e) This SECTION expires December 31, 2004.**

32           **SECTION 7. [EFFECTIVE UPON PASSAGE] (a) As used in this**  
33 **SECTION, "office" refers to the office of Medicaid policy and**  
34 **planning established by IC 12-8-6-1.**

35           **(b) Before July 1, 2002, the office shall apply to the United**  
36 **States Department of Health and Human Services for approval of**  
37 **any waiver necessary to fund prescription drugs under the Indiana**  
38 **prescription drug program established by IC 12-10-16-3, as**

1 amended by this act.

2 (c) The office may not implement the waiver until the office files  
3 an affidavit with the governor attesting that the federal waiver  
4 applied for under this SECTION is in effect. The office shall file the  
5 affidavit under this subsection not later than five (5) days after the  
6 office is notified that the waiver is approved.

7 (d) If the office receives a waiver under this SECTION from the  
8 United States Department of Health and Human Services and the  
9 governor receives the affidavit filed under subsection (c), the office  
10 shall implement the waiver not more than sixty (60) days after the  
11 governor receives the affidavit.

12 SECTION 8. [EFFECTIVE JULY 1, 2002] (a) There is  
13 appropriated from the Indiana tobacco master settlement  
14 agreement fund (IC 4-12-1-14.3) fifteen million five hundred  
15 sixteen thousand six hundred eighteen dollars (\$15,516,618) to the  
16 Indiana prescription drug account. The budget agency shall allot  
17 the money appropriated in this subsection for the Indiana  
18 prescription drug account.

19 (b) Notwithstanding IC 4-12-1-14.3, the amount appropriated  
20 under subsection (a) is the remainder of the amount appropriated  
21 under P.L.21-2000, SECTION 12 for the Indiana prescription drug  
22 program that was not placed in the Indiana prescription drug  
23 account and does not count against the maximum amount of  
24 expenditures, transfers, or distributions that may be made from  
25 the Indiana tobacco master settlement agreement fund during the  
26 state fiscal year.

27 (c) This SECTION expires July 1, 2004.

28 SECTION 9. [EFFECTIVE UPON PASSAGE] (a) As used in this  
29 SECTION, "office" refers to the office the secretary of family and  
30 social services.

31 (b) As used in this SECTION, "point of sale system" means a  
32 system that uses an electronic hardware device that is:

- 33 (1) operated by a pharmacist on behalf of the office; and
- 34 (2) capable of reading information on a card that is issued by
- 35 the office and providing an immediate prescription drug
- 36 benefit to the eligible recipient.

37 (c) Before July 1, 2002, the office shall establish and implement  
38 a point of sale system for the Indiana prescription drug program

- 1       **established by IC 12-10-16-3.**
- 2       **(d) This SECTION expires July 1, 2002."**
- 3       Renumber all SECTIONS consecutively.  
      (Reference is to SB 107 as printed January 18, 2002.)

**and when so amended that said bill do pass.**

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Representative Brown C